



For Details, Contact:
External Affairs
email: pacamail@ncua.gov
Fax: (703) 518-6409

National Credit Union
Administration
1775 Duke Street
Alexandria, VA 22314-3428
Phone: (703) 518-6330
Web Address: <http://www.ncua.gov/>

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NCUA Chairman Johnson Testifies Before Congress, Emphasizes Credit Unions' Commitment to Consumer Protection

June 7, 2007, Alexandria, VA.- National Credit Union Administration (NCUA) Chairman JoAnn Johnson testified this morning at a hearing before the U.S. House of Representatives Subcommittee on Financial Institutions and Consumer Credit. Chairman Johnson was invited to share insights regarding the Federal Reserve Board's proposed revisions to Regulation Z, relating to credit card disclosures and other practices; and measures credit card issuers have made or will make to improve consumer protection.

During her testimony, Johnson commended Congress for examining these vital issues, and emphasized several ways NCUA and the credit union community are protecting consumers while offering innovative credit card products and services. "Our view is that credit card services provided by credit unions to their members are being done in a sound and beneficial manner. Are there improvements, particularly in the area of disclosures that can be made? Certainly. We look forward to working with Congress, the Fed and other agencies to make certain that consumers are well informed and protected so they can wisely and prudently use their credit."

Chairman Johnson also stressed NCUA's important role of ensuring protections such as Regulation Z are enforced in a thorough and reasonable manner. "Through its examination and complaint monitoring process, NCUA plays a significant role in making certain that consumers are appropriately protected. During its safety-and-soundness exams, NCUA also clearly communicates to the credit union its responsibilities for complying with consumer protection rules, including Reg Z. We also communicate penalties that could result from violations. When a violation is noted, corrective actions are taken." While addressing this topic, the Chairman highlighted the importance of open communication between consumers and NCUA via a consumer complaint process, which includes a complaint center accessible on the agency's website, giving consumers the opportunity to contact their Regional Directors to register questions or problems with credit cards or any other credit union related matter.

Chairman Johnson concluded her testimony by assuring the Subcommittee that NCUA is committed to working with Congress, the Federal Reserve, and federal regulators in the future to enhance Regulation Z, and also emphasized the vital role financial education plays in protecting American consumers. “NCUA is assessing the changes proposed by the Fed, and generally supports enhancements regarding the clarity and consistency of consumer information. Any changes should aid consumers in identifying rates and conditions surrounding the use of credit cards, and facilitate comparisons so that consumers can make informed choices. I also want to take this and every opportunity to plug Financial Literacy--NCUA constantly exhorts the credit union industry to promote financial education to credit union members, not as a panacea or a substitute for strong regulation, but as an ounce of prevention that can empower consumers to make the right choices in financial services.”

The complete text of the testimony is available online [click here](#).

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of over 85 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not tax dollars.